

Please find below updates on legislative activities in Austin and Washington. *(To access links below, control+click on link.)*

Austin Update

2021 Legislative Session – What’s Next?

July 8 – 1st called Special Session Begins (30 days)

August 6 – Last Day of the 1st Special Session

August 7 – 2nd called Special Session Begins (30 days)

As promised, Governor Greg Abbott called a 2nd Special Session that convened on Saturday, August 7th. However, with 52 absent Texas House Democrats, the House has been unable to establish a quorum. Earlier this week, “Call of the House” vote occurred to compel absent members to return the chamber, thus allowing for a quorum House members. The Texas Supreme court has cleared the way for the civil arrests of 45 Texas House Democrats after it temporarily blocked Harris County judges’ orders protecting them from such a move. Without a quorum, the House is unable to conduct any business and preventing consideration of bills passed by the Senate.

Meanwhile, after a 15-hour filibuster conducted by State Senator Carol Alvarado, the Texas Senate passed 2S.B. 1, relating to election integrity and security. Similar House legislation (2H.B. 3) has been the source of strong objections by House Democrats who have broken quorum to prevent House action. In addition, the Senate has passed the following bills that may be of interest to Galveston:

2S.B. 8 (Bettencourt) – Homestead Exemption: filed by State Senator Paul Bettencourt (companion bill authored by State Representative Morgan Meyer, 2H.B. 4) would, among other things, provide that a person who acquires property after January 1 of a tax year may receive certain homestead exemptions for the applicable portion of that tax year immediately on qualification for the exemption if the preceding owner did not receive the same exemption for that year.

2S.B. 13 – Postponement of Certain Elections: filed by State Senator Joan Huffman (companion bill authored by State Representative Todd Hunter, H.B. 15), provides the Legislature with additional time to complete redistricting duties due to delays with receiving the data from the U.S. Census resulting from the pandemic. For State Board of Education, state legislative, and congressional districts, the bill sets new dates for the candidate-filing period, primary election, and primary runoff election in the 2022 election cycle based on when the legislature completes redistricting. The bill also allows the secretary of state to set other election dates and deadlines to the extent necessary for the efficient administration of the election cycle.

2S.B. 14 – Employment Benefits: filed by State Senator Brandon Creighton (companion bill authored by State Representative Phil King), places restrictions on the regulation by municipalities or Counties of certain employment benefits and policies. As filed the bill would provide that: (1) a city or county may not adopt or enforce an ordinance, order, rule, regulation, or policy requiring any terms of employment that exceed or conflict with federal or state law

relating to any form of employment leave, hiring practices, employment benefits, scheduling practices, or other terms of employment; (2) any provision of such ordinance, order, rule, regulation, or policy is void and unenforceable; and (3) the provision described in (1) do not apply to: (a) minimum wage; or (b) a contract or agreement relating to terms of employment voluntarily entered into between a private employer or entity and a governmental entity.

The Texas Municipal League raised the concern that without an exception for city employers/employees, city employers would be prohibited from providing certain employment benefits for city employees beyond what is permitted by state/federal law. This could include, among others:

- Military Service (TEX. GOV'T CODE§ 437.202) – can't provide more than 15 days of military service to eligible employees if the city desires to do so.
- FLSA – arguably can't provide comp time for exempt employees (some cities may do so as an recruitment incentive)

A committee substitute passed by the Texas Senate this week (see attached) includes a provision clarifying the bill does not affect the authority of political subdivisions to “negotiate the terms of employment with the political subdivision’s employees”.

Washington Update

Senate Passes Major Infrastructure and Social Spending Budget Resolution Bills

After a 69-39 vote this week, the Senate-passed version of the bipartisan infrastructure legislation, HR 3684, bill must go back to the House. The Senate-passed HR 3684 bill will include the following additional new spending: \$100 billion for upgrades to roads and bridges, \$66 billion for freight and passenger rail operations, \$46 billion for severe weather-resilience programs, \$65 billion for expanding broadband internet, \$39 billion for transit systems, and \$25 billion for improvement projects at airports. Unfortunately, due to continued procedural cross-objections, no further amendments were considered for a Senate floor vote. Consequently, two amendments sponsored by Senator John Cornyn were not added to HR 3684: 1) additional flexibility for States, Tribes, and Local Government to spend their allocations of the Coronavirus State and Local Fiscal Recovery Funds for infrastructure; and 2) address the Galveston’s FY 2022 Federal Transit Administration (FTA) urbanized area status and provide discretionary authority to the Secretary of Transportation to continue recognizing a community as a small urbanized area until the next Decennial Census when the loss of population is due to the impacts of a natural disaster.

The House has two choices: 1) pass the Senate-passed bill; 2) request a conference committee to resolve the differences between the two versions of HR 3684. Given the tenuous and delicate bipartisan agreement in the Senate on the infrastructure legislation, the Biden Administration is discouraging House Democrats from taking the conference committee route out of fear it will blow up the deal reached in the Senate. Moreover, on August 23rd, the House will cut short the August recess to vote on the Senate-passed [\\$3.5 trillion budget resolution framework](#) for Biden Administration social funding priorities passed the Senate this week. House Speaker Nancy Pelosi has committed to scheduling the vote on the budget resolution before a vote will be held on the infrastructure legislation sent over from the Senate. However, moderate and progressive Democratic caucuses disagree over the order with voting on the budget resolution and infrastructure legislation. If HR 3684 were considered first, Speaker Pelosi may not have the

votes for the infrastructure legislation due to progressive members opposition if the budget resolution is not voted on first. Surface transportation and transit programs and funding are set to expire September 30th, which may require a short-term extension without House passage of HR 3684. At a minimum, we will continue to seek opportunity to address the small urbanized area status for FY 2022. Should the 2020 Census data confirm a population at or over 50,000, Galveston will continue in the urbanized area formula in our own right for FY 2023.

2020 Census Redistricting Data Release

The U.S. Census held a [news conference](#) today to release the first local level 2020 Census data results states will use to redraw the boundaries of their congressional and state legislative districts. Due to delays caused by the COVID-19 pandemic, Census staff explained the data released today is in the same “Legacy” format used in 2010 to quickly facilitate data to the states, but the same data will be released in a user-friendly format by September 30, 2021. Meanwhile, State Representative Todd Hunter, Chairman of the House Committee on Redistricting, issued a memorandum (attached) to legislators reporting the use of Census data in the redistricting software for drawing the proposed maps will begin September 1st. The House Redistricting Committee will hold additional hearings that will be held at the Capitol, with virtual participation available. In short summary, the total population of the United States on April 1, 2020 was 331.4 million, an increase of 22.7 million from 2010. Texans of color accounted for 95% of the state’s population growth. The 2020 census puts the population of Texas at 29,145,505 — a 16% jump from 25.1 million in 2010. Hispanic Texans were responsible for half of that increase.

National Flood Insurance Program Reauthorization Update

Authorization for the National Flood Insurance Program expires on September 30, 2021. While there doesn’t appear to be likely action on significant reauthorization legislation, there are key short-term reauthorization priorities the Coalition for Sustainable Flood Insurance (CSFI) will seek (see attached talking points). Secondly, here is the link to (we mentioned on Thursday’s call). Federal Emergency Management Agency (FEMA) continues to post information on their website regarding the latest on [Risk Rating 2.0](#) implementation. You can access FEMA’s updated county/parish and zip-code level data on the monthly premium impact of the updated rating system here: <https://www.fema.gov/flood-insurance/work-with-nfip/risk-rating/profiles>.